

Top Ten Planning Points for HIPAA Compliance

Purpose: The Health Insurance Portability and Accountability Act of 1996 (HIPAA) included provisions that affect how patient information and claims are to be handled by the healthcare industry. The planning points below are a "Top-10 List" of considerations for becoming compliant with the HIPAA Administrative Simplification regulations. The intention of this list is to create an awareness of the scale and scope of HIPAA. The NCHICA task force considers the following statements highly likely:

- 1) For virtually all healthcare-related organizations (especially providers, payers and IT vendors), becoming HIPAA compliant will be a multi-year, large cost, institution-wide effort that will be required by Federal law, Federal regulation, and related regulatory and accreditation bodies within the next 2-4 years. The effort for most healthcare organizations will be on a par with Y2K preparations.
- 2) As HIPAA elements reach their date of required implementation, failure to comply will result in significant monetary penalties. The consequences of knowingly disclosing individually identifiable patient information are criminal penalties.
- 3) Implementing HIPAA will affect how healthcare entities organize and staff to achieve and monitor compliance with patient privacy/confidentiality needs. HIPAA compliance is better focused as a business issue than as an Information Technology issue, although IT will play a major role in implementing compliant systems.
- 4) HIPAA will affect how independent providers deal with managing both electronic transactions (claims, referrals, remittance) and medical records.
- 5) Large and medium sized organizations will need a full-time high-level person to head the HIPAA compliance effort and other FTEs will be required. These organizations will likely have to choose to either defer other major projects or add FTE's to their organizations.
- 6) HIPAA's requirements will cause significant changes in process, organization, and/or staffing in the area of claims management.
- 7) HIPAA's requirements are meant to encourage healthcare organizations to move patient information handling activities from manual to electronic systems in order to improve security, lower costs, and reduce error rates.
- 8) HIPAA mandates will require substantial changes in the policies, processes and administration governing patient specific health information. Similarly, it will require updates of all information systems that use or collect patient data, and will require the introduction of new features and functions.
- 9) Implementing HIPAA will improve security of healthcare information. Patient privacy and the security of all medical records will be more routinely assured. Information systems will have an improved general resistance to operational disruptions.
- 10) Because HIPAA covers all healthcare organizations, compliance itself is substantially a non-competitive issue. Coordinating and co-implementing HIPAA mandated changes among providers, payers, and IT vendors (especially in claims management) will minimize the cost, confusion and disruption involved in the transition.